Michigan Department of Human Services

Articles in Today's Clips

Wednesday, April 9, 2008

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Wednesday, April 9, 2008

State changes food stamps

Governor expected to sign bill to allow benefits to be distributed twice monthly to recipients.

David Eggert / Associated Press

LANSING -- Michigan is closer to becoming the first state in the nation to issue food stamps twice monthly, despite most recipients preferring to get the government assistance once a month.

Legislation that would make the change passed the House 87-19 Tuesday and is headed to Gov. Jennifer Granholm, who's expected to sign it.

Supporters say the proposed law will make fresh food more available throughout the month and help grocery stores better manage their inventory. Michigan's 1.2 million food stamp recipients now have their benefits added to a debit card in the first nine days of the month, causing a rush to grocery stores and some say a lack of food later in the month in some urban areas.

The Democratic-led House approved the bill despite the results of a Michigan Department of Human Services survey, in which 59 percent of food stamp recipients said they preferred continuing to receive their benefits once a month.

Thirty-five percent favored going to a twice-a-month system. The poll of 1,037 recipients had a sampling error margin of plus or minutes 3.1 percentage points, according to DHS.

The legislation would only affect families getting \$100 or more a month in benefits. That's about 78 percent of the state's caseload. Those receiving less than \$100 would keep getting their assistance once a month.

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Injured baby prompts license suspension at daycare facility

Owner to face child abuse charges

By Heidi Roman C & G Staff Writer

CLINTON TOWNSHIP — Parents are being asked not to bring their children back to the My Home Away From Home daycare facility while state licensing agencies and prosecutors review an incident that left a 7-month-old child injured.

Shannon Renee Jacob, 39, operates a home daycare facility on Kolleen Lane in Clinton Township, near Harper Avenue and I-94. Police believe she shook and injured a child who was under her care on March 4, and she is expected to be charged with first-degree child abuse, a 15-year felony.

"A woman from Eastpointe dropped her 7-month-old off at the daycare," said Capt. Richard Maierle. "It was only his second day there."

The child was fine when he was dropped off, Maierle said. The mother told police she received a phone call during the day from Jacob, who told her the child had thrown up, but was otherwise fine. When she picked her son up at 5:30 p.m. that day, she could tell something was wrong, police said.

The baby was taken to a local hospital. Medical examiners suspected the child had suffered abuse head trauma, and called Clinton Township police to investigate.

"We have an expert at (the hospital) saying the injury was caused at the daycare that day," Maierle said.

The baby appears to be doing fine now, he adds.

The Macomb County Prosecuting Attorney's Office filed charges against Jacob, who at press time had not yet turned herself in. Maierle said she has retained an attorney.

The investigation prompted the Michigan Department of Human Services, Office of Children and Adult Licensing, to suspend Jacob's license to operate the daycare center.

"Because this is a summary suspension, number one, she's not allowed to offer any day care during the suspension," said Colleen Steinman, a spokesperson for the Michigan Department of Human Services. "We will schedule a hearing, and she would have an opportunity to respond to any issues found in the complaint."

Jacob's license was suspended because of "problems with caregiver qualifications and supervision," Steinman said.

According to a press release issued by the agency, Jacob's license was suspended as of 6 p.m. April 2 as an "emergency action to protect the health, welfare and safety of

http://www.candgnews.com/Homepage-Articles/2008/4-2-08/CC-DAYCARE.asp

The suspension requires her to notify all of the parents of the children in her care that she can no longer provide services, according to the release.

Jacob has been licensed to operate the group daycare home since 2004, and is able to provide services for 12 children.

At press time, no hearing date had been set regarding her license.

Police said there have been no other complaints or issues at the facility in the past.

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MIRS Capitol Capsule, Friday, April 4, 2008

ECIC Awarding \$780K In Grants

In her weekly radio address, Gov. Jennifer **GRANHOLM** today said that the Early Childhood Investment Corporation (ECIC) would be awarding 11 Great Start grants totaling \$780,000 to Michigan communities for pre-kindergarten programs. The Governor is urging the Legislature to support a budget that sets aside \$31.5 million for Great Start programs.

"From the day I took office, I have stressed that investment in early childhood education and care is critical for the economic viability of our state," said Granholm. "Across the county, many business leaders and economists and scientists are coming to a very important conclusion, which is, to create the workforce of the 21st century, we must begin in the earliest years of life."

Granholm established the ECIC in 2005 to support a network of local public-private partnerships to help identify the needs of young children and their families. The ECIC brings together business, parents, government, foundations, and others to make sure those children get the services they need.

Poor Without I.D.s Left Without Medicaid

Thousands of Michigan citizens are being denied Medicaid due to a federal law requiring applicants to provide proof of citizenship because these natural-born U.S. citizens are too poor to afford an identification card, according to human service advocates.

The law, intended to prevent illegal immigrants from receiving Medicaid, took effect in July 2006 and requires that applicants provide documents such as a passport or a birth certificate.

Critics say many low-income families cannot afford these documents and that the law has a negative effect in the state. In Michigan, the cost of a birth certificate is \$10 and a passport is about \$100.

"It is not stopping illegal aliens from accessing Medicaid programs," said Jan **HUDSON**, senior planning and research associate for the Michigan League for Human Services. "We're spending millions of dollars for basically no gain."

The most recent sampling from the Office of Quality Assurance in the Department of Human Services (DHS) found only one citizenship error out of 1,752 cases between October 2004 and March 2006.

The documentation requirements have also led to "widespread declines" in Medicaid assistance, according to a report by the Government Accountability Office in Washington, D.C.

"This policy is resulting in U.S. citizens being denied benefits for which they are actually eligible, and that's the bottom line," Hudson said. "They are citizens. They can't demonstrate it in the way that was mandated by the federal law."

The law, however, serves legal citizens of the United States and is important, said Sylvia **WARNER**, press secretary for U.S. Rep. Mike **ROGERS** (R-Brighton).

"Mike Rogers has been very supportive of legal immigration and people who seek citizenship," Warner said. "People who come into this country illegally have broken our laws. We need to make sure that our resources are going to people who live here legally."

The documentation requirement does not make it impossible to receive Medicaid, Warner said.

"There are other resources to help people get their state identification," Warner said. "We're not setting barriers that cannot be dealt with, those barriers can be overcome."

The Family Independence Program in DHS has also adopted the documentation requirements "for the sake of consistency and to reduce errors," said DHS Spokeswoman Maureen **SORBET**. She said DHS is discussing the situation.

Jackie **DOIG**, senior staff attorney for the Center for Civil Justice in Saginaw, said the requirements should be handled on a case-by-case basis, and that applying the requirements across the board is draconian.

"We have no quarrel with the state when information is requested for a specific reason, but to apply this rule across the board to everyone keeps out a lot of people who are eligible from receiving necessary benefits."

She said the problem may be long-lasting.

"Because immigration is such a controversial topic right now, the chances of taking care of this issue is going to take some work," Doig said. "Until policymakers realize that this is hurting citizens and it's not achieving the goal that is at least the stated goal, we're not going to get the changes that we need."

Michigan was one of the last states to comply with the federal mandate in April 2007.

(Contributed by Capital News Service Correspondent Harry GILLEN.)

Rich-poor gap in Michigan 23rd in nation by Mary L. Lawrence The Saginaw News Wednesday April 09, 2008, 11:14 AM

It's no surprise to Lillie L. Williams that the income of Michigan's richest families grew five times faster than the income of low-income households during the past two decades.

"We see it daily in the people who come in for housing, counseling and emergency services," said Williams, director of Saginaw's Community Action Committee, 2724 Perkins.

"We never have enough (funds) for those looking for help. Four years ago, we had a \$60,000. That's grown to \$200,000, and it's still not enough," she said.

The Center on Budget and Policy Priorities and the Economic Policy Institute, both based in Washington, D.C., released a national report, "Pulling Apart: A State-by-State Analysis of Income Trends."

Michigan's gap between richest and poorest incomes is right in middle, coming in at 23rd largest in the country.

The nonpartisan, nonprofit think tanks, which receive funding from individuals and groups including the pro-labor Democracy Alliance, found that the rich-poor gap grew in most states over the past two decades. The trend that has accelerated since the late 1990s. Low- and middle-income families have gained little since then, despite recent years of economic prosperity.

Average incomes fell 2.5 percent for those in the bottom fifth of the income scale and rose by 1.3 percent for those in the middle fifth. Incomes climbed 9 percent for those in the top fifth.

Williams said times are dire for the working poor.

"Often people who aren't in need tend to police people who are. They think they're getting large amounts of money on assistance. That's just not the case," Williams said.

More disturbing, she added, are the number of newly poor who can't find work for the first time and make their way to the anti-poverty agency searching for help.

"That's where the gap is really widening. They moved from being one of the haves to the have-nots. They come in looking for help. In many cases, they're not familiar with the system and don't really know where to find the available services. Earning a living wage is a major issue."

The incomes of the poorest fifth of Michigan households have increased 8.9 percent since the late 1980s. In comparison, Michigan households at the highest reaches of the income scale -- the top 5 percent -- enjoyed a 48 percent increase.

Since the late 1990s, the long-standing national trend of growing inequality accelerated as incomes fell for poor families and stagnated for middle-income families in a number of states.

The picture changes for a single decade, measured from the mid-1990s. Michigan wages sagged across all income groups when adjusted for inflation. However, households earning the lowest 20 percent of incomes lost 11 percent on average during the decade, while the top 5 percent of families stayed the same.

The study, based on inflation-adjusted census data, is one of the few to examine income inequality at the state level. It measured and compared income trends among the highest-, middle-, and lowest-income families in three periods -- the late 1980s, the late 1990s, and the mid-2000s.

"This disturbing growth in the gap between the 'haves' and 'have-nots' casts a shadow on our future," said Ann Marston, president and CEO of the Lansing-based Michigan League for Human Services, an advocacy group for the poor which works closely with both groups behind the report.

"For Michigan to prosper, we need more than the rich getting richer. It means that people across the board have opportunities to get decent-paying jobs and improve the quality of their lives, too."

Job losses hit the lowest-income households the hardest, said Sharon Parks, vice president for policy for the league.

"Middle- and upper- income families may have the savings and networks to tread water, but our most vulnerable families do not," she said.

According to the report, reasons for the change in wage inequality include long periods of higher-than-average unemployment, globalization, the shift from manufacturing jobs to low-wage service jobs, immigration, the weakening of unions and the declining value of the minimum wage.

Those in the highest reaches of the income scale also profited from the growth in the stock market through income from interest, dividends and the sale of assets such as stocks.

Read the report at www.cbpp.org and www.epi.org.

MIRS Capitol Capsule, Monday, April 7, 2008

Not All Unemployment Pain Is Equal

No joke. Michigan's unemployment rate is about 3.4 percent.

For college graduates, that is, according to 2006 U.S. Census Bureau statistics for workers age 25 to 64, which are the latest available. Those without high school diplomas, however, are staring at an eye-popping 17.4 percent jobless rate.

High school graduates have a 10.1 percent unemployment rate, underscoring the fact that a diploma isn't enough to guarantee a good-paying job anymore. Those with some college or an associate's degree have 6.9 percent unemployment, close to Michigan's overall jobless rate.

Bruce **WEAVER**, a Department of Labor & Economic Growth (DLEG) analyst, said there's no reason to think 2008 unemployment rates by education level will follow a different trend.

The statistics also are borne out nationally, but they're not nearly as dramatic. In 2006, those with a college degree had 2.3 percent unemployment, whereas those lacking a high school diploma experienced 8.3 percent unemployment (a 9 percent drop from Michigan), according to U.S. Bureau of Labor statistics.

So even as the national economy sours, the pain is not spread equally. While those with a bachelor's or higher have traditionally done well (unemployment rates were 1.3 percent in March 1970), it was a more forgiving world for the less educated. Those who didn't graduate from high school faced a 4.6 percent jobless rate.

Welcome to the reality of the new economy. A college degree is your best defense, said Lou **GLAZER**, head of Michigan Future Inc., which just released its annual report, "Michigan's Transition to a Knowledge-Based Economy."

"In good national times and bad national times, the best strategy workers have is to have marketable skills," Glazer said. "And largely those require four-year degrees, and also two-year degrees."

We're feeling the economic squeeze more acutely in Michigan, he said, due to our over-concentration of jobs in the Big Three and related industries, which have been shrinking. And we're under-concentrated in knowledge-based jobs.

So Michiganders have to adjust, but change has been slow.

"Jobs that require a bachelor's or associate's degree have the highest growth rates," Weaver confirmed.

Jobs requiring post-secondary training in health care, information technology and business service fields are projected to experience the most growth.

In February, Michigan's unemployment rate was 7.2 percent, remaining the highest of any state for 24 months straight. There are 350,000 people unemployed in a workforce of 5 million, with another 100,000 marginally unemployed.

But DLEG Deputy Director Andy **LEVIN** said there are 23,000 jobs unfilled in Michigan because workers don't have the skills to fill them. Employers like Dow Corning and Hemlock Semiconductor go wanting.

"We're at a tipping point in changing Michigan's economy so that employers and workers stay here," said Levin.

He added that the No Worker Left Behind (NWLB) program — championed by Gov. Jennifer **GRANHOLM** — would help the state turn around. From August 2007 to February, 20,000 people have signed on, with 11,000 more on a waiting list. Others have been able to seek retraining by qualifying for federal funds, he said.

"Community colleges are bursting at the seams," Levin said.

So how do we retool Michigan's economy and bring down unemployment? Levin said his focus is on the current workforce. He said three-quarters of the 2020 workforce has already left high school, so retraining efforts are key. NWLB is seeking a \$40 million General Fund appropriation this year to expand.

Glazer argues that Michigan's workforce has to become younger for the state to thrive, which means retaining college grads and bringing new ones in. That's a long-term strategy to naturally lower the jobless rate and diversify the manufacturing-heavy economy.

But a lot has to be done. Younger, highly educated workers are attracted by quality of life factors — everything from trails to vibrant nightlife to outdoor dining. They come to cities that have a lot more to offer than just a job, such as Seattle or Madison, Wis.

Michigan will see employers follow a well-trained workforce, Glazer said. That's the way to turn the state's economy around — but it takes some profound shifts for the state, businesses and individuals.

And so far, we haven't made much headway.

Levin says Michigan is on its way, pointing to the administration's Cool Cities program. He said there's inter-department cooperation on quality of place issues, including DLEG, Department of Natural Resources and Education.

"We do need to be a destination for young people. That's why it's so wrong to want to be like the South in a race-to-the-bottom approach," he said. "Young people aren't looking to move to Little Rock or Jackson, Miss. They're looking to Chicago, Boston, New York."





Funding no worker left behind is right thing to do

Saturday, April 05, 2008

By Keith Cooley

Special To The Press

Since I became director of the Michigan Department of Labor and Economic Growth (DLEG) a year ago, I've had the privilege to help lead the creation of an initiative that carries huge impact for Michigan workers and employers -- No Worker Left Behind, offering up to two years of free tuition for unemployed and low income workers to help them transition into new careers with clear employer demand.

No Worker Left Behind (NWLB) can be the catalyst that makes the difference between workers and their families being in economic peril and being successfully employed elements of Michigan's emerging and changing economy.

We're now devoting every available federal dollar we can to supporting No Worker Left Behind. But that's not enough. Gov. Jennifer Granholm has asked the Legislature to appropriate \$40 million in general funds to substantially expand the number of people we can enroll in training.

We've seen real progress on that front -- on March 20, the full House of Representatives adopted DLEG's budget. The bill includes the full \$40 million requested for No Worker Left Behind, as well as \$10 million for the Michigan Nursing Corps. While this is great news, we now have to shift our efforts to gaining senate approval before it can be signed into law by the governor.

No Worker Left Behind thus far is a hit. In the first seven months, over 20,000 people enrolled in training and another 11,000 are currently on waiting lists. This tremendous response to NWLB tells me the people of Michigan understand the value of education and even though they may not have had the opportunity to go to college in the past, they desperately want to take advantage of the opportunity now. The governor's original goal was to retrain 100,000 workers; the demand is so large we may end up exceeding that goal by the end of No Worker Left Behind's three-year enrollment window.

This initiative is also popular with employers. Across the state, employers have jobs for which they have trouble finding workers with the needed skills. A study released in January suggests that as many as 30,000 jobs in Michigan could go unfilled in the near future because of the mismatch between current worker skills and the skills needed for the jobs. To close the gap we must continue to find ways to train and re-train individuals, steering them into fields where good-paying jobs are available.

We know that education and earnings are tightly linked. Studies consistently show that economies with a higher percentage of highly educated people are stronger than those with less educated populations. Massachusetts, nationally, has the most educated population with 37 percent of adults over 25 having at least a bachelor's degree and a per capita income of \$46,255 (3rd among states). Compare that to Michigan, which ranks 34th among the states with 24.5 percent of adults over 25 having at least a bachelor's degree and a per capita income of \$33,784 (26th among states). Michigan has dropped from 16th place in per capita income over the last six years -- a direct result of the loss of high-wage manufacturing jobs.

There are no quick fixes to this long-term problem and dedicating money from state coffers is only part of the answer. We are working hard with our partners in education, particularly community colleges, and with the Michigan Works! agencies to find ways to make every training dollar go as far as possible.

We are seeking emergency grant funds from the federal government based on significant losses in auto employment, and because knowledge is the key to succeeding in today's world, we are continually advancing the concept of life-long learning for all Michigan residents.

More than 300,000 people have lost their jobs in our state since 2000. In the coming months, we anticipate more layoffs, buyouts, early retirements and plant closings. No Worker Left Behind can provide these people the opportunity to acquire the education they need to get the kind of jobs that will support their families.

The support of the House for NWLB gives us enormous momentum, but it will take a tremendous effort by all of us to ensure this initiative continues to successfully move through the legislative process.

No Worker Left Behind is our chance to stay competitive in the changing global economy. We owe it to our families, our communities and our businesses to give our workers the skills they need to compete.

-- Keith W. Cooley is the director of the Michigan Department of Labor & Economic Growth.

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Wednesday, April 9, 2008

Opinion

Costly wage laws hurt state's economy

Adam Schaeffer

In the midst of criminal proceedings against Detroit Mayor Kwame Kilpatrick, voters shouldn't stop asking politicians to answer for the criminally bad state of Michigan's economy. Their minimum wage increases in recent years have killed jobs for those most in need of work.

Here's a puzzler to ask your representative that might get him to see the facts: What do Michigan, Ohio, and Rhode Island have in common?

Answer: They all have a higher percentage of unionized workers than the national average, have dramatically increased the minimum wage between 2005 and 2008, and are in the top 10 for unemployment in 2008.

That's no coincidence. There's a twisted logic in unions pushing regulations, like the minimum wage, that strangle businesses and kill jobs.

Unions promote policies like minimum wage increases because it limits the alternatives to high-priced union labor. Of course, anti-growth policies eventually kill union jobs too, but politics is a short-sighted game. In states like Michigan, Ohio and Rhode Island, unions have been getting their way for decades.

States raised their minimum wage rates about 19 percent on average from 2005 to 2008. In Michigan, however, the minimum wage went up a stunning 40 percent in that time. Ohio increased its minimum wage almost 36 percent, and Rhode Island increased it 44 percent.

Far from helping the poor, these regulations are hurting those most in need of work. The national unemployment rate is 5.1 percent, but Michigan's is 7.2. Ohio and Rhode Island are doing badly as well, hitting 5.3 and 5.8 percent unemployment rates, respectively, this year.

Studies consistently show that minimum-wage increases lead to job losses, hitting those in need the hardest. A 2007 study from the University of California at Irvine showed that for every 10 percent increase in the minimum wage, employment drops 8 percent for high-school dropouts and 8.4 percent for African-American teens.

It's easy to see why. A full-time employee works around 2,000 hours a year. Let's say an employee being paid \$6an hour generates \$7 of revenue an hour; that means the business makes \$1 per hour.

Then the government says he has to be paid \$8 an hour. If the business doesn't lay him off, it will lose \$1 every hour instead of making \$ per hour; that's a \$2,000 loss on every employee every year. If the business employed 20 people, that would mean a loss of \$40,000 a year. With losses like that, a business won't be in business very long. And if you think that price hikes are the answer you haven't been reading or

http://www.printthis.clickability.com/pt/cpt?action=cpt&title=Costly+wage+laws+hurt+state%27s+econ... 04/09/2008

watching the news.

Instead, a business has to hire fewer, more productive workers at a higher wage, and that means low-skilled and new workers get pushed out of the work force. The minimum wage, in other words, puts the people it's supposed to help out of work.

Decades of economic research show that mandated wage hikes eliminate entry-level jobs, putting particular pressure on young minorities and the least educated. A Cornell University study found that black young adults typically bear almost four times the employment loss of their non-black counterparts after a minimum wage increase. Specifically, they found that a 10 percent increase in the minimum wage will result in an 8.5 percent decrease in employment for black young adults and teenagers.

Meanwhile, a National Bureau of Economic Research study in 2006 concluded that minimum wage increases hurt the least-skilled the most, and a 2007 survey of labor economists showed the vast majority agree that big increases kill jobs.

Michigan can't afford the costs imposed by labor unions. With the housing market in a slump, the national economy hitting the skids, a credit crisis and the dollar in decline, the last thing Michigan needs is to be weighed down by anti-growth union policies that handcuff businesses and hurt the poor.

Policy approaches like the federal Earned Income Tax Credit reward work, help low-income workers, and don't kill jobs or businesses.

When are Michigan's politicians going to be held to account for their senseless job-killing?

Adam Schaeffer is an economic analyst at the Employment Policies Institute in Washington, D.C., a foundation financed by businesses. E-mail comments to <u>letters@detnews.com</u>.

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